

2013 DRAFTING REQUEST

Bill

Received: **10/11/2012** Received By: **jkreye**
Wanted: **As time permits** Companion to LRB:
For: **Administration-Budget** By/Representing: **Byrnes**
May Contact: Drafter: **jkreye**
Subject: **Tax, Business - credits** Addl. Drafters:
Extra Copies:

Submit via email: **YES**
Requester's email:
Carbon copy (CC) to: **joseph.kreye@legis.wisconsin.gov**

Pre Topic:

DOA:.....Byrnes, BB0036 -

Topic:

Collecting delinquent taxes from telephone companies and public utilities

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 10/15/2012			_____			
/P1		jdyer 10/17/2012	10/17/2012	_____	sbasford 10/17/2012		State

FE Sent For:

<END>

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/?	jkreye / P1	10/17 JLD		Jim Self 10/17/12			

FE Sent For:

<END>

0356

Hanaman, Cathlene

To: Shovers, Marc; Kreye, Joseph
Subject: FW: Statutory Language Drafting Request
Attachments: Collection Tools - 7000.pdf

From: Tyler.Byrnes@Wisconsin.gov [<mailto:Tyler.Byrnes@Wisconsin.gov>]
Sent: Friday, September 28, 2012 10:26 AM
To: Hanaman, Cathlene
Cc: Thornton, Scott - DOA; Frederick, Caitlin - DOA; Byrnes, Tyler - DOA
Subject: Statutory Language Drafting Request

Biennial Budget: 2013-15

Topic: Add Collection Tools To Telephone Company And Public Utilities Statutes

Tracking Code: BB0036

SBO Team: TLGED

SBO Analyst: Byrnes, Tyler - DOA
Phone: (608) 266-1039
E-mail: Tyler.Byrnes@Wisconsin.gov

Agency Acronym: DOR

Agency Number: 566

Priority: Medium

Intent:

Provide the Department of Revenue the authority to use collections methods used on other tax types collect delinquent taxes from telephone companies and public utilities. Specifically, modify sections 76.84 and 76.14 of the statutes to provide the use of collection tools under Ch. 71 of the statutes. See attached Issue Paper and Drafting Instructions.

Attachments: True

Please send completed drafts to statlanguage@wisapps.wi.gov

**TITLE: ADD COLLECTION TOOLS TO TELEPHONE COMPANY AND PUBLIC UTILITIES
STATUTES**

DESCRIPTION OF CURRENT LAW AND PROBLEM

Secs. 76.84 and 76.14, Wis. Stats., do not provide for the use of delinquent tax collection tools or filing of administrative levies to collect unpaid telephone company and public utilities taxes. This proposal will clarify that delinquent telephone company and public utilities taxes will be collected as taxes in Chapter 71 are collected.

This will allow the department to use collection tools, such as administrative tax warrants and financial institution levies, frequently used to collect delinquent taxes. Without the clarification to the statutes, there is not much the department can do to collect the taxes other than send letters, and go to court to file a warrant, if the debt justifies the cost of the action. Fairness to other entities and individuals should also be considered. It is not fair to have collection tools available to collect from individuals and businesses, but not have those same tools available to collect telephone company and public utility taxes.

RECOMMENDATION FOR ACTION

Revise secs. 76.84 and 76.14, Wis. Stats., to authorize the use of collection tools used in Chapter 71, Wis. Stats.

IMPACT ON JOB CREATION

None.

FISCAL EFFECT

At the end of FY 12, \$23,200 in delinquent assessments were outstanding. The department collected \$7,443 during the year. Previous fiscal year collections were \$92,000 in FY09, \$33,000 in FY10, and \$43,000 in FY 11.

DRAFTING INSTRUCTIONS

Sec. 76.84 – add a new paragraph
In addition to all other collection remedies provided under this subchapter, the collection provisions in Chapter 71 apply to the collection of the taxes imposed under this subchapter.

Sec. 76.14 – add a paragraph:
In addition to all other collection remedies provided under this subchapter, the collection provisions in Chapter 71 apply to the collection of the taxes imposed under this subchapter.

EFFECTIVE DATE

Day after publication.

INTERESTED/AFFECTED PARTIES

Taxpayers and businesses who owe telephone and public utility taxes.

*71.91 or it applies to
all collection of taxes under
Ch. 71, except to the
collection of local
levied under
the rules.*



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-0356/P1

JK:.....

Jld

DOA:.....Byrnes, BB0036 - Collecting delinquent taxes from telephone companies and public utilities

FOR 2013-2015 BUDGET - NOT READY FOR INTRODUCTION

DWF
Jan 14/17
NDF

in 10-15-12

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1 don't gen
AN ACT ...; relating to: the budget. ✓

Analysis by the Legislative Reference Bureau

TAXATION ✓

OTHER TAXATION ✓

Under current law, instead of paying local general property taxes, public utilities and telephone companies pay taxes imposed by the state based on property value. ✓ These taxes are referred to as ad valorem taxes. Under this bill, DOR may use the same methods for collecting delinquent income taxes, including imposing a levy on a taxpayer's property, to collect delinquent ad valorem taxes owed by public utilities and telephone companies. ✓

For further information see the *state* ✓ fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- 2 **SECTION 1.** 76.14 of the statutes is amended to read: ✓
- 3 **76.14 Remedies for nonpayment of taxes.** All taxes levied under this
- 4 subchapter upon the property of any company defined in s. 76.02, which are not paid

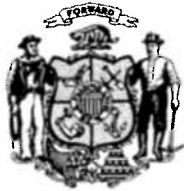
1 at the time provided by law, shall thereupon become delinquent and bear interest at
2 the rate of 1.5% per month until actually paid. Upon a showing by the department
3 under s. 73.16 (4), the failure of any such company to pay the taxes and interest so
4 required of the company within 60 days after the entry of final judgment dismissing
5 in whole or in part any action of the company to restrain or set aside a tax, or the
6 failure of the company within 60 days after the entry of final judgment in favor of the
7 state for the taxes and interest to pay the judgment shall be cause for forfeiture of
8 all the rights, privileges and franchises granted by special charter or obtained under
9 general laws, by or under which the company is organized and its business is
10 operated. The attorney general upon the showing by the department under s. 73.16
11 (4) shall proceed by action to have forfeiture of such rights, privileges and franchises
12 of the company duly declared. Any such company, at any time before the final
13 judgment for forfeiture of such rights, privileges and franchises is rendered, may be
14 permitted, absent a showing by the department under s. 73.16 (4), to pay the taxes,
15 interest and the costs of the action upon special application to the court in which the
16 action is pending upon such terms as the court directs. Section 71.91, as it applies
17 to the collection of delinquent taxes under ch. 71, applies to the collection of
18 delinquent taxes under this subchapter.

History: 1971 c. 215; 1977 c. 29; 1979 c. 102 s. 236 (1); 2011 a. 68.

SECTION 2. 76.84 (5) of the statutes is created to read:

76.84 (5) Section 71.91, as it applies to the collection of delinquent taxes under
ch. 71, applies to the collection of delinquent taxes under this subchapter.

(END)



State of Wisconsin
2013 - 2014 LEGISLATURE



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JK:jld:jm

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FOR 2013-2015 BUDGET — NOT READY FOR INTRODUCTION

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